COVID-19 AND GLOBAL INCOME INEQUALITY

EE 462 Development Macroeconomics

Reference: Deaton, A. (2021). *Covid-19 and global income inequality* (No. w28392). National Bureau of Economic Research.

Motivation

- What is the motivation of this paper?

- Previous literature about Covid-19 and global income inequality?

- What is the objective of this paper?

Data Sources & Limitations

- What are the data sources used in this paper?

- What are the limitations acknowledged by the authors?

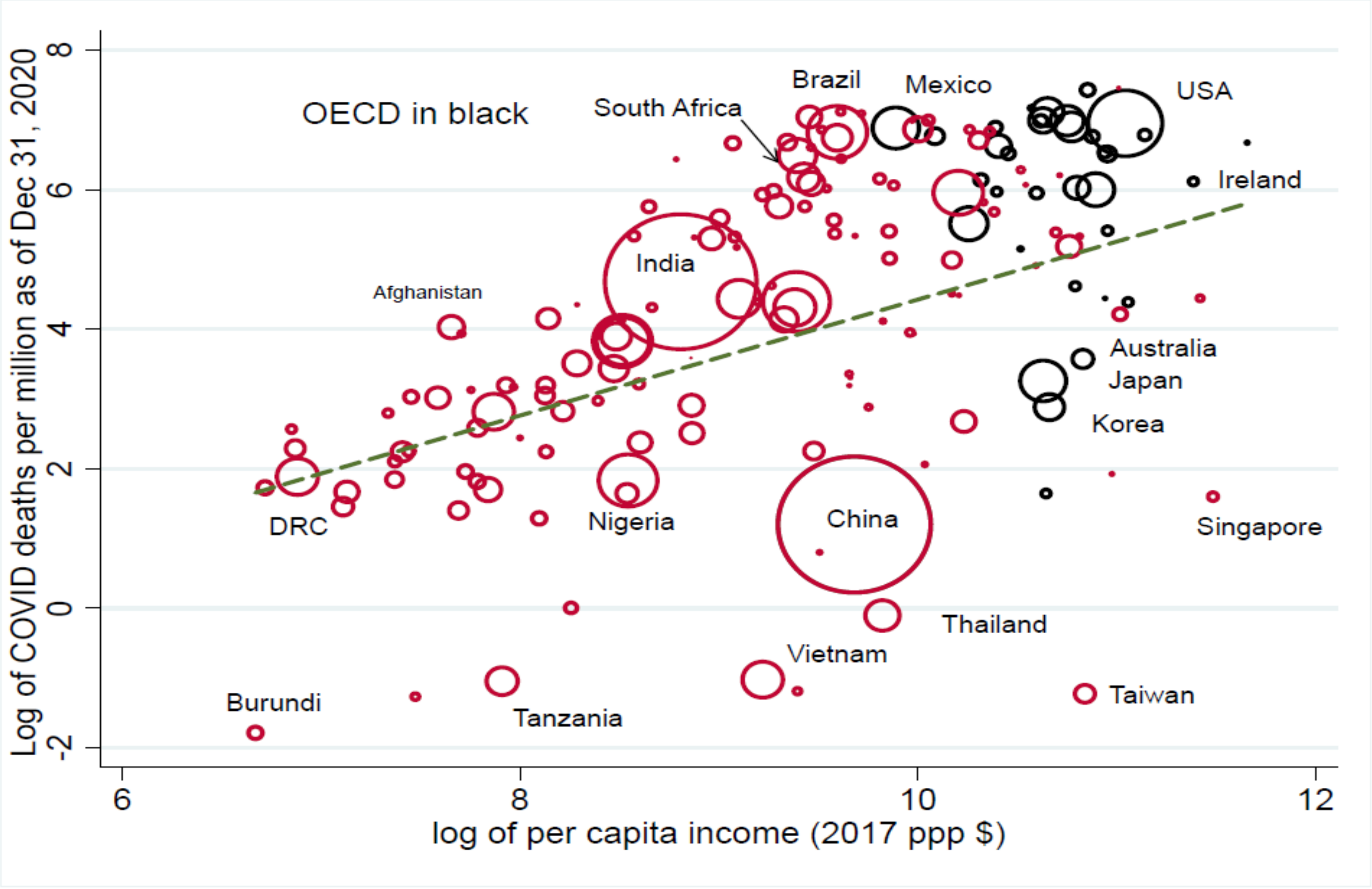

Figure 1: COVID-19 deaths per million and per capita income in 2019: broken line is the population-weighted regression line, areas of circles proportional to population

- What does the size of the bubble represent?
- What is the difference between red and black color?
- What is the relationship between per capita income and death rates? For OECD countries? For non-OECD countries? For all countries?

Measures of income inequality

- What is the difference between "Concept 1" and "Concept 2" measures of income inequality? What do they capture?

- What are the findings about unweighted and weighted inequality measures? What are the explanations?

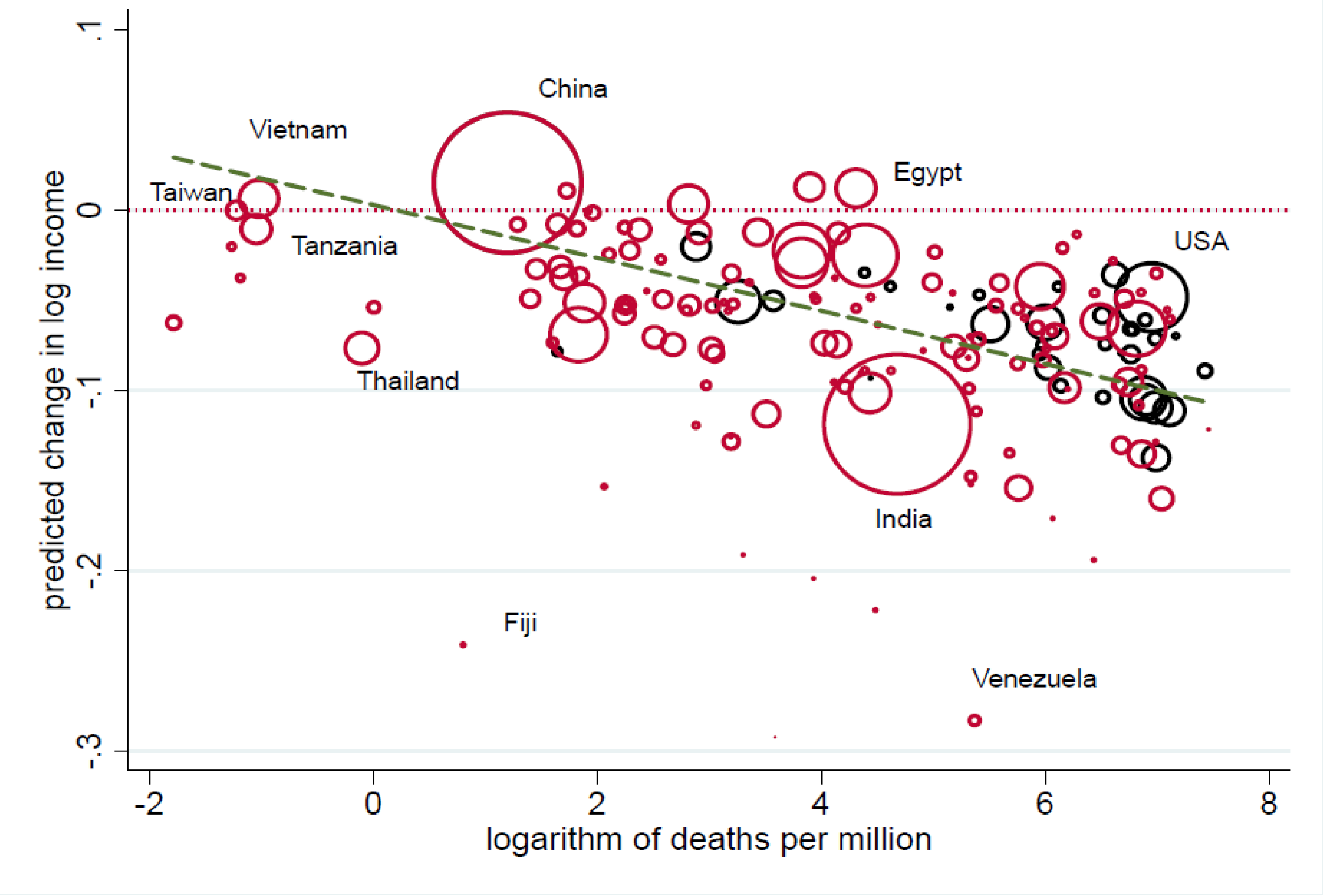

Figure 2: Predicted growth of per capita income 2019-20 and deaths per million: population weighted regression shown as broken line, areas of circles proportional to population

- What is the relationship between death rates and GDP/capita growth? For OECD countries? For non-OECD countries? For all countries?
- Is there any outliers? What can we say about China, India, and USA?

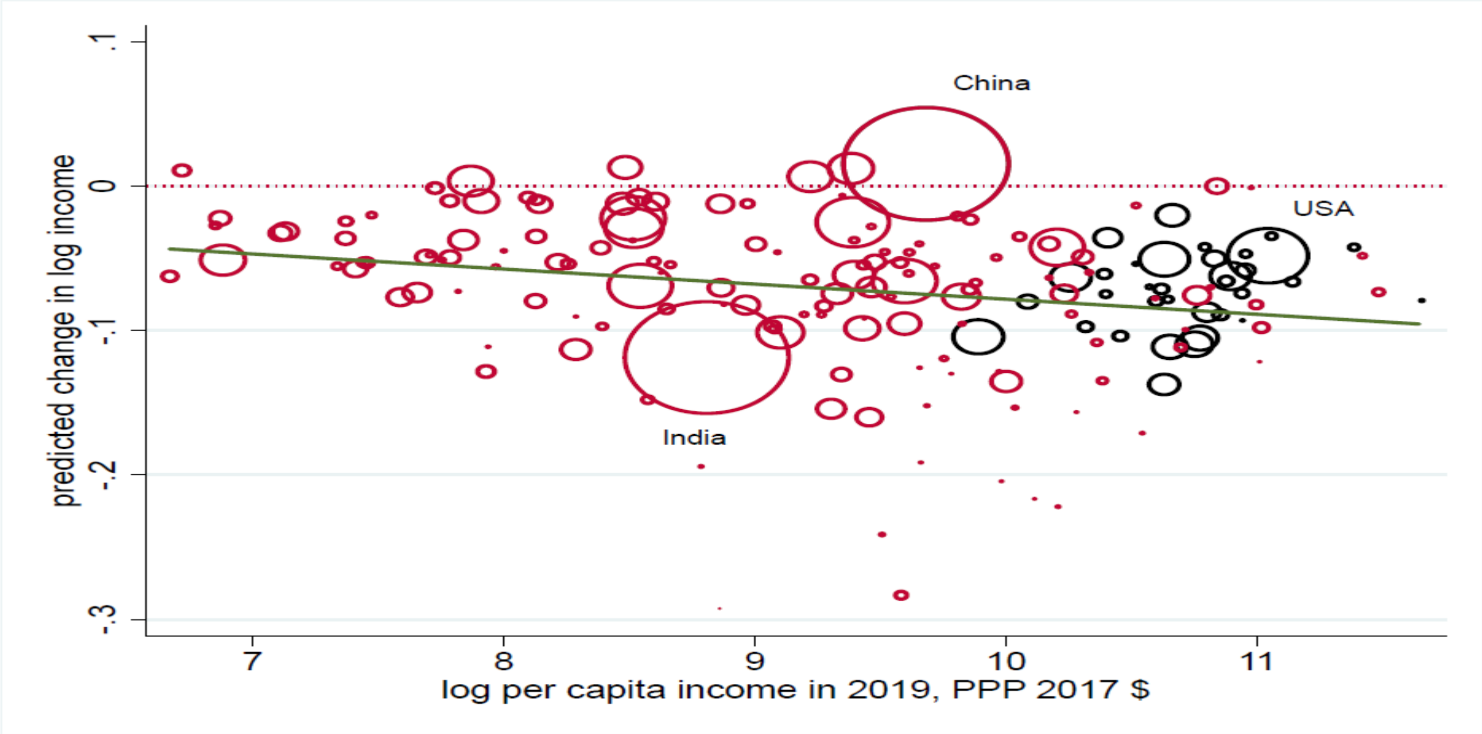

Figure 3: Growth of per capita income, 2019-20, and per capita income in 2019: line is unweighted regression line, areas of circles proportional to population

- What can we say about the relationship between predicted income growth and per capita income?
- Discuss the effect of Covid-19 on predicted income growth.

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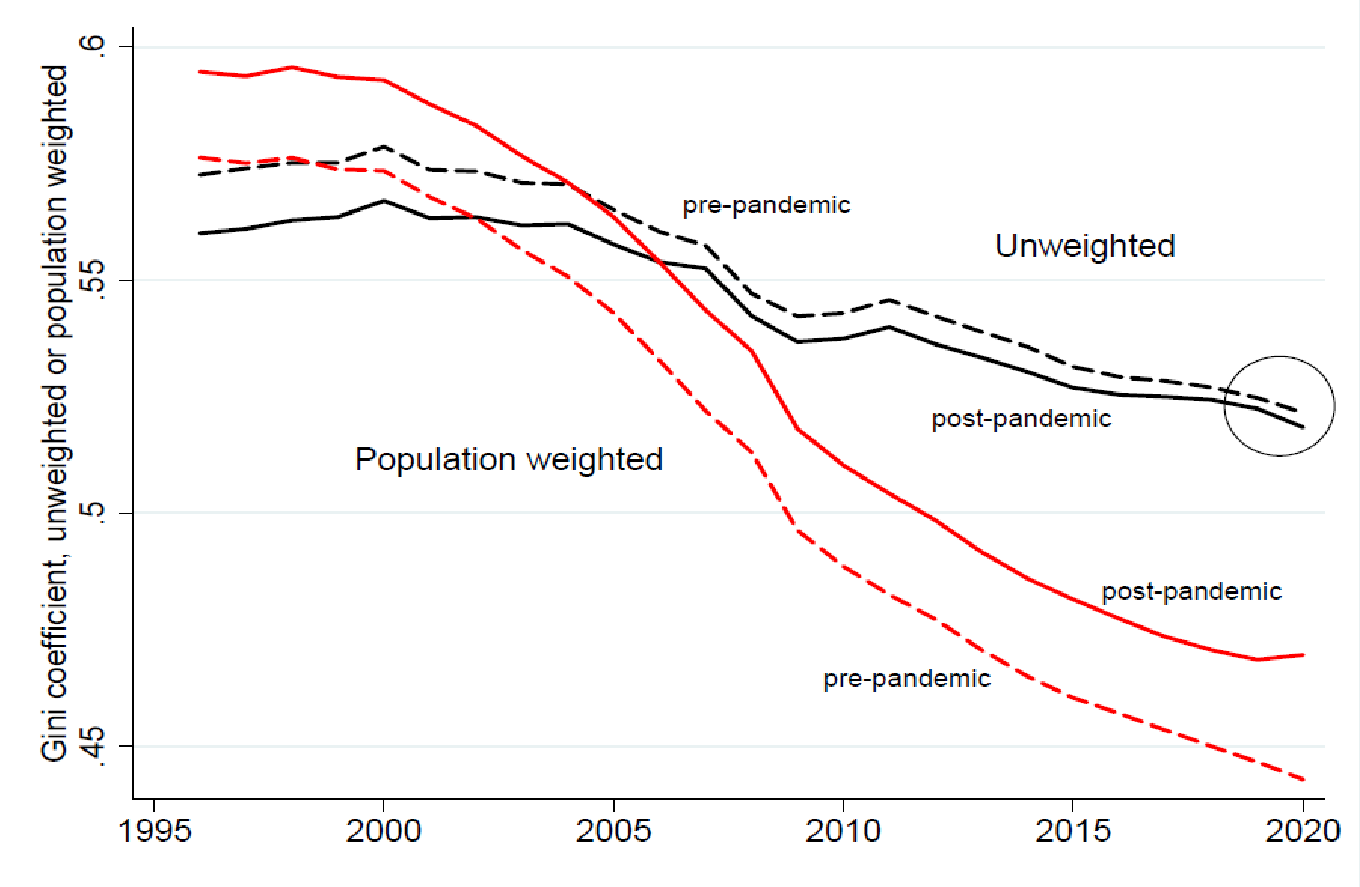

Figure 4 Gini coefficients of income per capita, unweighted, weighted by population. Broken lines use pre-pandemic data

- What can we say about the difference between weighted and unweighted Gini coefficients? What about pre-pandemic vs. post-pandemic ones? What are the explanations of these differences?

Conclusion and Reservations

- What is the main conclusion?
- What is the discussion about small and rich countries, e.g. Macao?
- Any reservations/limitations in interpreting these results?